

INTERIM 2003 REPORT

6TH LEGISLATIVE DISTRICT

Rep. John Ahern

Rep. Brad Benson

Dear Friends

What a difference a month makes.

The 2003 legislative session was a resounding victory for the taxpayers of Washington, families who need jobs, and the employers who provide those jobs. The extra 31 days of special session were long and frustrating, but well worth the effort.

At the end of the 2003 regular legislative session in Olympia in April, lawmakers adjourned with a \$360 million tax increase on the table and very little to show for our push to create new job opportunities for Washington's working families. There were some successes in the first 105-day session, such as regular performance audits of the Department of Transportation. But we had yet to measure up satisfactorily on our primary objectives: creating jobs and restoring the public's trust in government.

As part of our effort to restore public trust, we felt it was important that government share in the challenges of these difficult economic times by balancing the state operating budget without raising taxes. Facing a \$2.7 billion shortfall, it was not an easy task, but we recognized that families have been hurting too.

By working an extra 31 days we were able to devise a bipartisan budget requiring no burdensome new taxes. That's \$360 million Washington taxpayers won't be paying this year, and every year into the future.

As always, we welcome your questions and concerns regarding legislative issues. We are also happy to assist you in your dealings with state government. Our job is to serve you, as well as represent you, so please contact us if we can help.

Sincerely,



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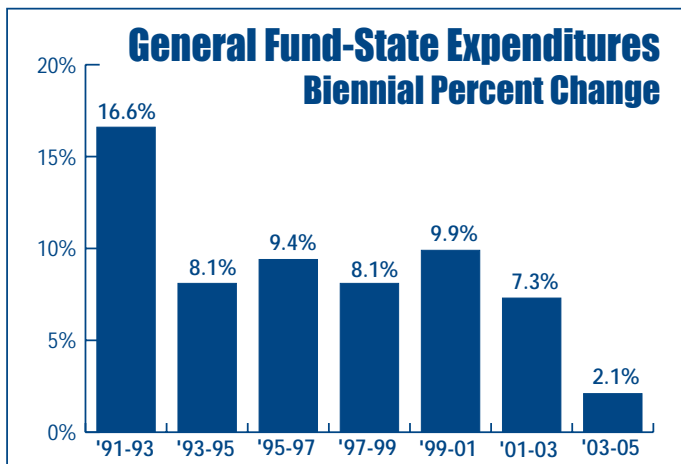
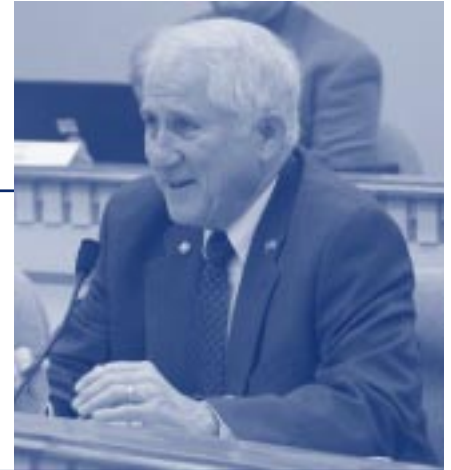


Toll-free Legislative Hotline: 1-800-562-6000

Responsible operating budget averts general fund tax increase

With our state facing the worst economic recession in a generation, House and Senate Republicans felt it was imperative that the Legislature not place a greater burden on taxpayers. Our state budget deficit was approaching \$3 billion, yet we insisted that government establish priorities and make the tough choices to achieve those priorities while living within our means, just as families must do.

Rep. Ahern serves on the House Finance Committee, which works on general fund tax policies for the state.



The two-year operating budget approved in June represents 2 percent growth in spending over the previous biennium, the slowest rate of growth in 40 years.

House and Senate Republicans, as well as some Senate Democrats, and the governor all agreed with this approach, but House Democrats proposed a number of tax increases to fund pay raises for government employees, while making deep cuts in services for the elderly, the developmentally disabled and other vulnerable citizens. It would have been irresponsible to raise taxes on families in our state, many of whom have lost their jobs or taken cuts in pay, in order to provide pay raises to state workers.

In the end, a bipartisan coalition of lawmakers prevailed and adopted a no-new-tax budget that focuses limited resources on our most pressing priorities and protects services for the truly needy. The budget allocates a little more than \$23 billion for state government operations through June 2005. The budget avoids drastic cuts in services for developmentally disabled and troubled youth. Health care benefits for children remain at up to 250 percent of the Federal Poverty Level, and home health care workers received a 75-cent-per-hour pay raise.

At the same time, the budget reflects our continued support for K-12 education, which is state government's paramount constitutional duty. It provides pay increases for teachers in their first seven years on the job, when they are most likely to abandon the profession. The annual starting pay for Washington teachers will climb to \$30,000 in the budget's second year. Also, funding under Initiative 728, the class-size initiative passed by voters in 2000, will climb to \$254 per student, from \$212. Total K-12 funding will increase from \$5,367 per student to \$5,469 per student.

The no-new-tax approach Republicans stressed during the weeks of budget negotiations was not just a slogan. Economic conditions have forced families and employers across Washington to focus on the essentials and tighten their belts. Now, because of our resolve, government will do the same.

Transportation: Building trust as we build roads

As we fix our roads, we also have work to do to make some major repairs in public confidence that has eroded largely due to excessive regulations and the mismanagement of taxpayer dollars. We made progress in some areas, such as Senate Bill 5748, which authorizes regular performance audits of the Department of Transportation. It will help find ways for the state to get the most construction and give motorists the most benefit for their money.

The Legislature fell short in other efforts to improve efficiency, including a Republican proposal to allow the department to contract out more work through competitive bidding to the private sector.

This year the Legislature approved a 10-year, \$4.2 billion budget that calls for a one-time, 5-cent-a-gallon increase in the gas tax, a 15 percent increase in weight fees for commercial trucking and a 0.3 percent sales tax on vehicles.

Although the gas tax increase is now in place, we voted against it. We didn't feel the funding package had enough accountability and efficiency built into it. We continue to support more privatization of our transportation construction work, transforming the Department of Transportation into an agency that oversees construction and leaves the paving to the people and companies that do it best and for the least cost.

Solutions for a better economy by creating jobs for families

We have high expectations for our quality of life in Washington: excellent schools for our children, affordable health care for our families and seniors, and protection of our environment. Without a healthy, diversified and robust state economy, our quality-of-life expectations become more difficult to achieve.

The 2003 session produced substantial reforms to improve our state's business climate and encourage employers, such as Boeing, to invest and expand job opportunities in Washington:

- Significant new investments in our transportation infrastructure and efficiency reforms to give us the most for our taxpayer dollar;
- Tax incentives for new aerospace investments to entice Boeing's 7E7 assembly to Washington;
- Three important laws that change our state's water policy and help growing cities by offering greater flexibility to communities to respond to local needs;
- Reforms to the state's costly unemployment insurance system;

- And reforms to our state's workers' compensation systems to ensure fairness and predictability.

More work must be done to strengthen our economy and stimulate job growth. But the accomplishments of this session have finally put us on the right course.

Rep. Benson takes a moment from his work on legislation for families and economic improvement to pose for a photo with House Page Daniel Repsold.



Health care improvements made but more is needed

The Legislature made progress in its effort to provide high-quality health care to more people in Washington, but there is much to be done to make health care more affordable and available to all. One victory this session can be found in new effectiveness and cost-efficiencies for government health coverage. Reforming and redesigning the Basic Health Plan—which offers subsidized and nonsubsidized health care coverage for low-income people without any federal funding—will make it more affordable to cover more Washingtonians (100,000 enrollees) without continued cost overruns for taxpayers.



Lawmakers also made a small step in the right direction with prescription drug legislation designed to save taxpayers money when the state purchases medications for people who rely on government-funded health coverage. It's disappointing, however, that House Republicans' push for true senior prescription drug assistance—which would have

done more to help seniors get the medicine they need but can't afford with a true benefit—was rejected. There is still more we can and must do for our seniors and that work should occur next session.

Important changes to medical malpractice and small group health insurance, as well as the state's Medicaid program in the area of reimbursements to doctors and hospitals, are still needed. Too many government mandates make health insurance too costly and force more lower- and middle-income workers to go without coverage. Small-group reform is still needed to help employers offer affordable coverage to their employees.



The price of insurance that doctors and hospitals need to protect themselves from multi-million dollar lawsuits is too high, and is forcing many health care providers to leave Washington or stop offering services. Medical malpractice insurance reform would bring down the cost of insurance, keep physicians in practice, and reduced the overall cost of health care.

We'd like to hear from you!

If you have questions or ideas about issues being addressed by the Legislature, we'd like to hear from you. Please provide the information below. You may also contact us directly via e-mail at ahern_jo@leg.wa.gov or benson_br@leg.wa.gov.

Name _____

Address and/or _____

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Comments: _____

REPORT

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State Representatives

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